

Message Text

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TAGS: EFIN ETRD OVIP (EBERLE, WILLIAM D.)

SUBJECT: RACTION TO PRESIDENT'S ECONOMIC PROPOSALS AND AMBASSADOR
EBERLE'S CONSULTATIONS

REF: OTTAWA 3334

1. SUMMARY. MONTREAL GAZETTE OF OCTOBER 10 CARRIED TWO LEAD EDITORIALS ON PRESIDENT FORD'S ECONOMIC PROPOSALS AND ON CONSULTATIONS WITH CANADA. FIRST EDITORIAL SOMEWHAT CRITICAL OF PROGRAM BUT SECOND PREDICTS PRESIDENT COULD BE "MOST CONSTRUCTIVE IN THE AREA OF CANADIAN-AMERICAN RELATIONS SINCE FRANKLIN ROOSEVELT". GAZETTE ALSO CARRIED ARTICLE ON ALLEGED ADVERSE BUSINESSMEN'S REACTION TO ECONOMIC PROPOSALS AS DID OCTOBER 9 TORONTO STAR. END SUMMARY.

2. LEAD EDITORIAL IN OCTOBER 10 MONTREAL GAZETTE ENTITLED
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"FORD'S ECONOMIC PROGRAM" STATES "NONE OF THE PRESIDENT'S
TEN PROPOSALS CALL FOR ANY DEGREE OF SACRIFICE FROM THE

BULK OF AMERICANS. THIS IS PARTICULARLY SURPRISING IN THE ENERGY-RELATED FIELDS, WHERE A NATIONAL ENERGY BOARD IS TO BE ESTABLISHED UNDER EASYGOING INTERIOR SECRETARY ROGERS C.B.MORTON. AS FOR INFLATION, THE PROGRAM CONTAINS LITTLE NEW, WITH CONTINUED RELIANCE ON TRADITIONAL MARKET FORCES AND NOT ENOUGH ON PRICES AND UNION RESTRAINT."

3. THE EDITORIAL ALSO SPECULATES ON CONSEQUENCES OF ECONOMIC PROPOSALS ON CANADA, AND SAYS "RELAINCE ON CANADIAN ENERGY RESOURCES WILL NOT BE REDUCED AND GOVERNMENT-TO-GOVERNMENT TALKS ON A MACKENZIE VALLEY PIPELINE ROUTE FOR ALASKAN RESOURCES ARE PROPOSED; CANADIAN FOREST PRODUCTS WILL FIND A WELCOME DEMAND FROM THE HOUSING INCENTIVES IN THE PROGRAM; AND THE CANADIAN AUTO INDUSTRY SHOULD NOT SUFFER UNDULY BECAUSE OF THE INTEGRATED NATURE OF THE FIELD AS A RESULT OF THE CANADA-U.S. AUTO PACT."

4. THE PAPER FINDS ONE NEGATIVE ASPECT FOR CANADA IN THAT "THE MORE ATTRACTIVE INVESTMENT ATMOSPHERE IN THE U.S. THROUGH INCREASED TAX CREDITS TO STIMULATE BUSINESS EXPANSION ... COULD POSSIBLY WITHHOLD PROSPECTIVE EXPANSION MONEY FROM CANADA."

5. THE SECOND LEAD EDITORIAL ENTITLED "FORD AND CANADA-U.S. COOPERATION" SPECULATES ON THE FUTURE RELATIONS BETWEEN THE TWO COUNTRIES UNDER PRESIDENT FORD'S ADMINISTRATION. THE EDITORIAL FOLLOWS: BEGIN QUOTE.THE EXTENSIVE ARRANGEMENTS MADE BY PRESIDENT FORD FOR CONSULTATION WITH CANADA AND OTHER ECONOMIC PARTNERS ON THE IMPACT OF HIS PROGRAM ABROAD CONSTITUTE ONE OF THE STRONG POINTS OF HIS POLICY.

MR FORD COMES FROM A BORDER STATE, MICHIGAN, AND HAS SERVED ON JOINT U.S.-CANADA PARLIAMENTARY GROUPS. HE COULD TURN OUT TO BE THE MOST CONSTRUCTIVE PRESIDENT IN THE AREA OF CANADIAN-AMERICAN RELATIONS SINCE FRANKLIN ROOSEVELT,WHO WITH MACKENIZE KING
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ESTABLISHED THE BASIS FOR THE KIND OF DISCREET COMMITTEE DIPLOMACY PRACTISED BETWEEN THE TWO COUNTRIES EVER SINCE.

TODAY CANADA IS MORE INTERDEPENDENT WITH THE UNITED STATES THAN EVER, YET ALSO MORE ASSERTIVE OF ITS ECONOMIC AUTONOMY AND DISTINCT INTERNATIONAL ROLE. THIS WOULD INDICATE THE NEED FOR A REVISED FRAMEWORK OF RELATIONS IN WHICH THE TWO COUNTRIES CULD ATTACK BOTH MORE OPENLY AND WITH MORE DETERMINATION THE

PROBLEMS INVOLVED IN THEIR ECONOMIC AND SOCIAL COOPERATION.

BOTH NATIONS COULD DO NO BETTER THAN BEIN BY MAKING MORE EXTENSIVE USE OF THE INTERNATIONAL JOINT COMMISSION, A BODY WHOSE RECOMMENDATIONS ON PRESSING POLLUTION PROBLEMS IN THE BORDER AREA HAVE SUFFERED FROM NEGLECT. THE IJC FRAMEWORK OF DEALING WITH MUTUAL PROBLEMS OFFERS EQUALITY OF REPRESENTATION FROM THE TWO COUNTRIES, EXPERT INVESTIGATION, AND PUBLIC HEARINGS OF ALL INTERESTED PARTIES ON BOTH SIDES OF THE BORDER. THE VENERABLE COMMISSION IS AVAILABLE, EITHER AS VEHICLE OR MODEL, TO ACCOMMODATE BOTH GREATER COOPERATION AND GREATER EXPRESSION OF INDIVIDUAL NATIONAL INTERESTS IN THE CONDUCT OF CANADA-U.S. RELATIONS END QUOTE

6. UNDER HEADLINE "CANADIANS MOSTLY DISAPPOINTED", OCT 10 GAZETTE CARRIED CP ARTICLE ON ALLEGED ADVERSE REACTION BY CANADIAN BUSINESSMEN AND ECONOMISTS TO PRESIDENT FORD'S ECONOMIC PROGRAM. QUOTING A FEW CRITICISMS BY TORONTO ACADEMICS AND BUSINESSMEN, ARTICLE CONCLUDES THAT "CANADIAN BUSINESS COMMUNITY GENERALLY EXPRESSED DISAPPOINTMENT WITH PRESIDENT FORD'S INFLATION PROGRAM." HOWEVER, ARTICLE WENT ON TO QUOTE ONE TORONTO BANKER WHO STATED THAT INTENTION TO STIMULATE HOUSING WOULD BE SHOT IN THE ARM FOR CANADA'S SAGGING LUMBER INDUSTRY.

7. OCT 9 TORONTO STAR QUOTES SAME BUSINESSMEN AS ABOVE IN ARTICLE ENTITLED "U.S. FALLS SHORT IN INFLATION FIGHT"
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SAY CANADIANS". ARTICLE ITSELF MUCH LESS CIRITICAL THAN HEADLINE INDICATED WITH SEVERAL QUOTES FAVORABLE TO PRESIDENT'S PROPOSALS ON MONETARY AND FISCAL POLICY, RESOURCES INDUSTRIES, HOUSING, AND INVESTMENT TAX CREDITS.
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